

SENATE BILL REPORT

HB 3197

As of Second Reading

Title: An act relating to transferring funds from the budget stabilization account to the general fund.

Brief Description: Transferring funds from the budget stabilization account to the general fund.

Sponsors: Representatives Sullivan, Linville, Seaquist, Ericks and Haigh.

Brief History: Passed House: 3/22/10, 69-28.

Committee Activity:

Staff: Steve Jones (786-7440)

Background: The Budget Stabilization Account (BSA), also known as the rainy day fund, was created by a constitutional amendment approved by the voters in 2007. The State Treasurer must transfer 1 percent of general state revenues into the BSA annually. (General state revenues are all revenues to the state General Fund other than state property tax revenues, which are dedicated to schools.) Transfers into the BSA during the 2009-11 biennium are projected to total \$252.2 million.

Appropriations from the BSA require a three-fifths vote of each house of the Legislature unless: (1) the employment growth forecast made by the Economic and Revenue Forecast Council for that fiscal year is less than 1 percent; or (2) the Governor declares a state of emergency resulting from a catastrophic event that requires government action to protect life or safety. In those cases, the Legislature may appropriate from the BSA with a majority vote of each house.

Employment growth for Fiscal Year 2009 was -1.8 percent and -3.4 percent for 2010, and is projected to be 1.7 percent for 2011. The 2009-11 biennial and supplemental operating budgets transferred \$400 million from the BSA to the General Fund for Fiscal Year 2009 and \$45.1 million for Fiscal Year 2010.

Summary of Bill: The State Treasurer is directed to transfer \$229 million from the BSA into the state General Fund for Fiscal Year 2011. The purpose of the transfer is to minimize reductions to public school programs in the 2010 supplemental budget.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.